(in Rs. terms). The import growth rate during the year 2000-2001 was only 5.59% in Rs. terms and 0.27% in US dollar terms. If non oil imports are taken into consideration the picture of imports is all the more reassuring. Such non oil imports, have in fact, registered a negative growth rate of 14.66% during 2000-2001.

Even at micro level the growth in imports has not been of alarming nature. The import data for 714 items, QRs on which were removed on 31.03.2000, for the year 2000-2001, indicates a growth in import of these items by less than 3%. Similarly, the import of 300 sensitive items, which is being monitored by a Standing Group of Secretaries, indicated a decline of 13% during the first three months of this financial year.

As can be seen from above, the fears of domestic market being deluged by imports have not come true.

However, the imports are being constantly monitored and the Government is absolutely determined to ensure through appropriate use of tariff and other available mechanisms that imports do not cause any serious detriment or injury to domestic industry.

The interests of domestic producers are always given prime importance while entering into any international agreement including those entered the aegis of WTO. These agreements provide sufficient safeguards against dumping or surge in imports. The domestic industry has been sufficiently sensitized about the availability of these mechanisms.

**Technology transfer in privatisation of defence production**

† 1701. SHRI DEVI PRASAD SINGH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether opening the defence production sector for foreign investment would affect the national security as well as military and strategic secrecy of the country;

(b) whether ordnance factories in the country are incapable to some extent to produce sophisticated weapon system/communication system;

(c) if so, whether the procedure of technology transfer is not able to meet our optimum target of strategic preparedness; and

† Original notice of the question was received in Hindi.

(d) what qualitative changes are likely to come in the domestic scenario of defence production through foreign capital investment?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) No, Sir. The opening of defence industry sector two private sector participation, including foreign direct investment up to 26% is subject to licensing and security requirements.

(b) to (d) The ordnance factories play a crucial role in meeting the defence requirements of the country and Government would continue to support and encourage the growth of ordnance factories, including important defence projects. The opening up of the defence industry sector to private sector participation, including foreign direct investment up to 26% both in terms of infusion of additional capital and state-of-the-art technology, is aimed at supplementing Government's effort in this sector.

**Impact of US Economic slowdown on Indian Exports**

1702. DR. ALLADI P. RAJKUMAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there is perceptible downward trend in Indian exports as a result of economic slowdown in US;

(b) if so, the extend to which Indian exports have been affected; and

(c) the steps being taken to see that growth of Indian exports is maintained?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI DIGVIJAY SINGH): (a) and (b) India's exports to USA during April-May, 2001-02 are Rs. 5690.33 crores in comparison to the exports of Rs. 6683.24 crores during the corresponding period of 2000-2001. It is too early to project the extent to which Indian exports could be affected, on the basis of figures available for April & May, 2001.

(c) The Government of India is working closely with Export Promotion Councils and other Apex Organisations to promote exports to the USA. In addition to this the new Market Access Initiative Scheme has been formulated for promoting global exports and particularly for the US. Government is constantly